

By: Isaac

H.B. No. 2354

A BILL TO BE ENTITLED

AN ACT

relating to the use and allocation of municipal hotel occupancy tax revenue in certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 351.101, Tax Code, is amended by adding Subsection (o) to read as follows:

(o) In addition to the purposes provided by Subsection (a), a municipality that has a population of not more than 10,000, that contains an outdoor gear and sporting goods retailer with retail space larger than 175,000 square feet, and that hosts an annual wiener dog race may use revenue from the municipal hotel occupancy tax to promote tourism and the convention and hotel industry by constructing, operating, or expanding a sporting related facility or sports field owned by the municipality, if the majority of the events at the facility or field are directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels in the municipality.

SECTION 2. Section 351.1078, Tax Code, is amended to read as follows:

Sec. 351.1078. ALLOCATION OF REVENUE: CERTAIN MUNICIPALITIES. (a) A municipality that spends municipal hotel occupancy tax revenue as authorized by Section 351.101(i) or (o):

(1) may not use municipal hotel occupancy tax revenue

1 for the acquisition of land for the sporting related facility or  
2 sports field described by that subsection;

3 (2) shall annually determine and prepare and publish  
4 on the municipality's Internet website a report on the events held  
5 at the facility or field, the number of hotel room nights  
6 attributable to events held at the facility or field, and the amount  
7 of hotel revenue and municipal tax revenue attributable to the  
8 sports events and tournaments held at the facility or field for five  
9 years after the date the construction expenditures are completed;  
10 and

11 (3) may only spend hotel occupancy tax revenue for  
12 operational expenses of the facility or field if the costs are  
13 directly related to a sporting event in which the majority of  
14 participants are tourists who substantially increase economic  
15 activity at hotels in or near the municipality.

16 (b) The municipality shall reimburse to the municipality's  
17 hotel occupancy tax revenue fund from the municipality's general  
18 fund any expenditure in excess of the amount of area hotel revenue  
19 attributable to sporting events held at the sporting related  
20 facility or sports field described by Section 351.101(i) or (o) for  
21 five years after the date the construction or expansion of the  
22 facility or field described by that subsection is completed.

23 SECTION 3. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2017.